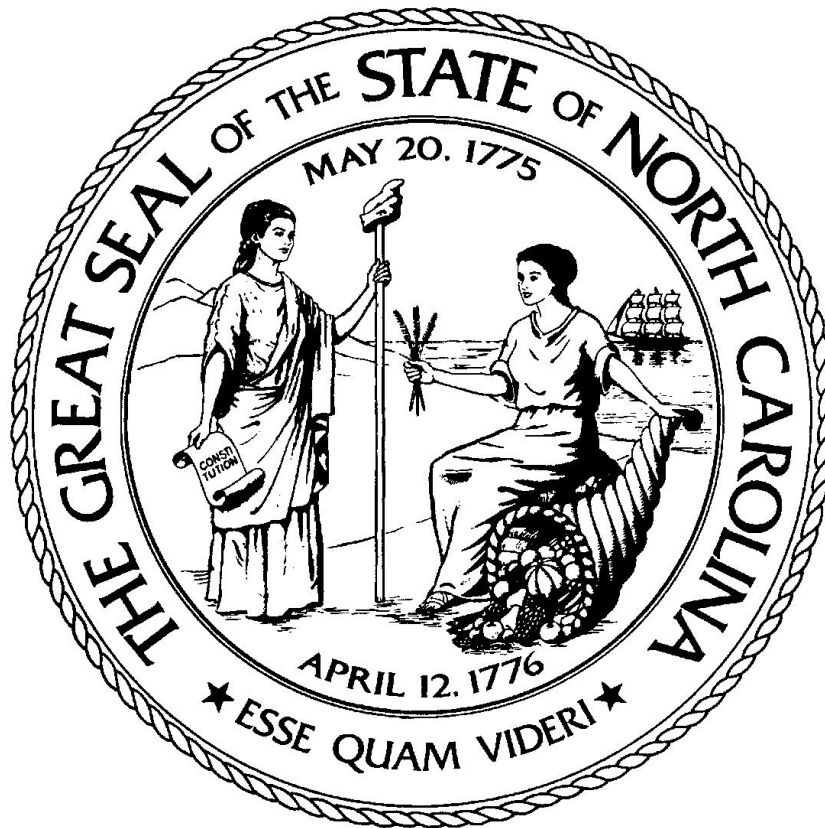


# **North Carolina**

## **Strategic Planning Guidance**

### **2021 – 2023**



Office of State Budget and Management

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# 1. Introduction

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The Office of State Budget and Management (OSBM) updated the strategic planning guidance for the 2021-23 fiscal biennium and requests that agencies submit a 2021-23 strategic plan which reflects their current goals, programs, and operations. As part of Governor Cooper's priority to ensure an effective, accountable, and well-run state, updated strategic plans should:

- Demonstrate how your agency meets the needs of North Carolinians and stakeholders
- Chart a long-term direction for your agency and the allocation of resources
- Align agency goals, program objectives, and individual expectations and results
- Establish a mechanism for evaluating progress and continuous improvement

Agencies are required to submit strategic plans as part of the budget development process. Budget expansion requests must link to the agency's strategic plan to be considered in the Governor's 2021-23 recommended budget. In addition, your IT plan should align with the mission, goals, and objectives of your strategic plan and identify any planned IT projects that will require an expansion request.

This document and a strategic plan template can be accessed on [OSBM's website](#). Both documents incorporate feedback received from North Carolina state agencies and best practices from several other States' offering strategic planning guidance. For more examples of strategic planning components, formatting suggestions, or drafting process steps, see the guidance documents of [Georgia](#), [New York State](#), and [Colorado](#), respectively.

OSBM's guidance and template are a suggested process and format for organizing your agency's goals, objectives, performance measures, and strategies. If your agency has a preferred format, you are welcome to deviate as long as your plan contains the same basic elements.

**OSBM requests that you submit a 2021-23 Strategic Plan by May 1, 2021.**

## 2. The Drafting Process

### 2.1. What is Strategic Planning?

Strategic planning is a long-term, future-oriented process of assessment, goal setting, and decision-making. A strategic plan sets the course for what an agency will do over the next two to five years and how it will achieve its desired results. At its core, strategic planning is about influencing the future rather than preparing or adapting to it.

### 2.2. How do I draft a Strategic Plan?

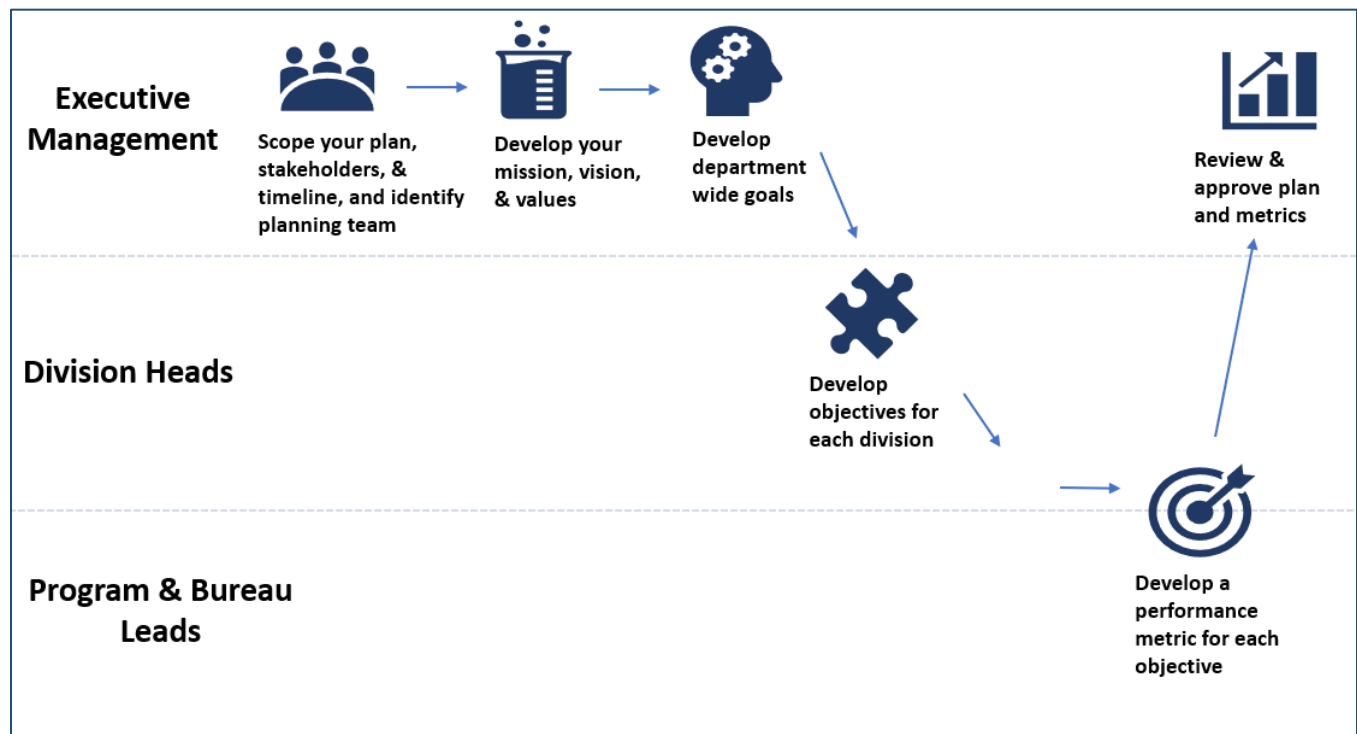
At the highest level, the strategic planning process in North Carolina state government is driven by the four questions below:

1. *Where are we now?*
2. *Where do we want to go?*
3. *How do we get there?*
4. *How do we evaluate our progress?*

These basic questions prompt agencies to assess their current environment, develop what they wish to achieve, determine how to achieve it, and track progress along the way.

The planning process should incorporate a broad range of perspectives from across an agency. An agency's strategic plan should not be the product of an individual or a small group of individuals; rather, a collaborative effort driven by the top executive with contributions and support from employees.

The process map below illustrates a recommended flow of work when drafting your agency's strategic plan.



## 2.3. Step-by-Step Guide

The table below captures the steps OSBM recommends that agencies take to complete their strategic plans. Each step has an owner, recommended practices to achieve that step, and questions agencies can use as a guide to draft and finalize each component of the plan. Please note that all steps are optional and should be used as a guide.

Step	Owner	Recommended Practices	Questions to Answer when Drafting
<b>1</b> Plan Your Plan	Executive Mgmt.	<ul style="list-style-type: none"> <li>Identify Strategic Plan Stakeholders; Plan Longevity; Drafting Lead or Drafting Team; Timeline to Draft plan</li> </ul>	<ul style="list-style-type: none"> <li>Who is our plan for &amp; How many years will our plan cover?</li> <li>Who will draft the document &amp; what is the completion timeline?</li> </ul>
<b>2</b> Develop Mission, Vision, & Values	Executive Mgmt.	<ul style="list-style-type: none"> <li>Often established or mandated</li> <li>Survey to Division Leads, Program Leads, or entire staff based on org size</li> </ul>	<ul style="list-style-type: none"> <li>What do we do that no other organization can do?</li> <li>Who are our "customers"? How does this impact what we do?</li> </ul>
<b>3</b> Conduct Environmental Scan	Executive Mgmt.	<ul style="list-style-type: none"> <li>SWOT/ Survey to Division Leads, Program/Bureau Leads, or entire staff</li> </ul>	<ul style="list-style-type: none"> <li>Who are my direct customers/ stakeholders/beneficiaries?</li> <li>What factors drive my customer base? How do we account for these?</li> </ul>
<b>4</b> Develop 3-5 Department-wide Goals	Executive Mgmt.	<ul style="list-style-type: none"> <li>Affinity Mapping to organize &amp; prioritize SWOT/survey responses</li> <li>Assign a goal for top priority issues</li> </ul>	<ul style="list-style-type: none"> <li>Which key efforts can we take to pursue our Mission ?</li> <li>How do we support statewide priorities through our plan?</li> </ul>
<b>5</b> Develop Objectives for each Division	Division Heads	<ul style="list-style-type: none"> <li>SWOT/Survey to Program Leads</li> <li>Affinity Mapping</li> <li>Assign an Objective for each priority</li> </ul>	<ul style="list-style-type: none"> <li>Is the Objective "SMART"</li> <li>Is there alignment between the Goals &amp; the Objectives?</li> </ul>
<b>6</b> Develop Performance Metrics	Division Heads & Program Leads	<ul style="list-style-type: none"> <li>Working Session with Division Heads &amp; Program/Bureau Leads</li> </ul>	<ul style="list-style-type: none"> <li>What data do we need to see if we are achieving our Objectives?</li> <li>Do we have the right infrastructure to collect &amp; analyze data?</li> </ul>
<b>7</b> Review & Approval of Plan & Metrics	Executive Mgmt.	<ul style="list-style-type: none"> <li>Iterative Revision process with Division Heads</li> </ul>	<ul style="list-style-type: none"> <li>Is there alignment between the Goals, Objectives, Strategies, &amp; Tasks?</li> <li>Are Objectives "SMART"</li> </ul>

If your agency is interested in learning more about the recommended practices documented above (e.g., Environmental Scan, SWOT, Affinity Mapping), **please sign up for the newly established statewide Strategic Planning Community of Practice.**

## 2.4. Agency Strategic Plan Template

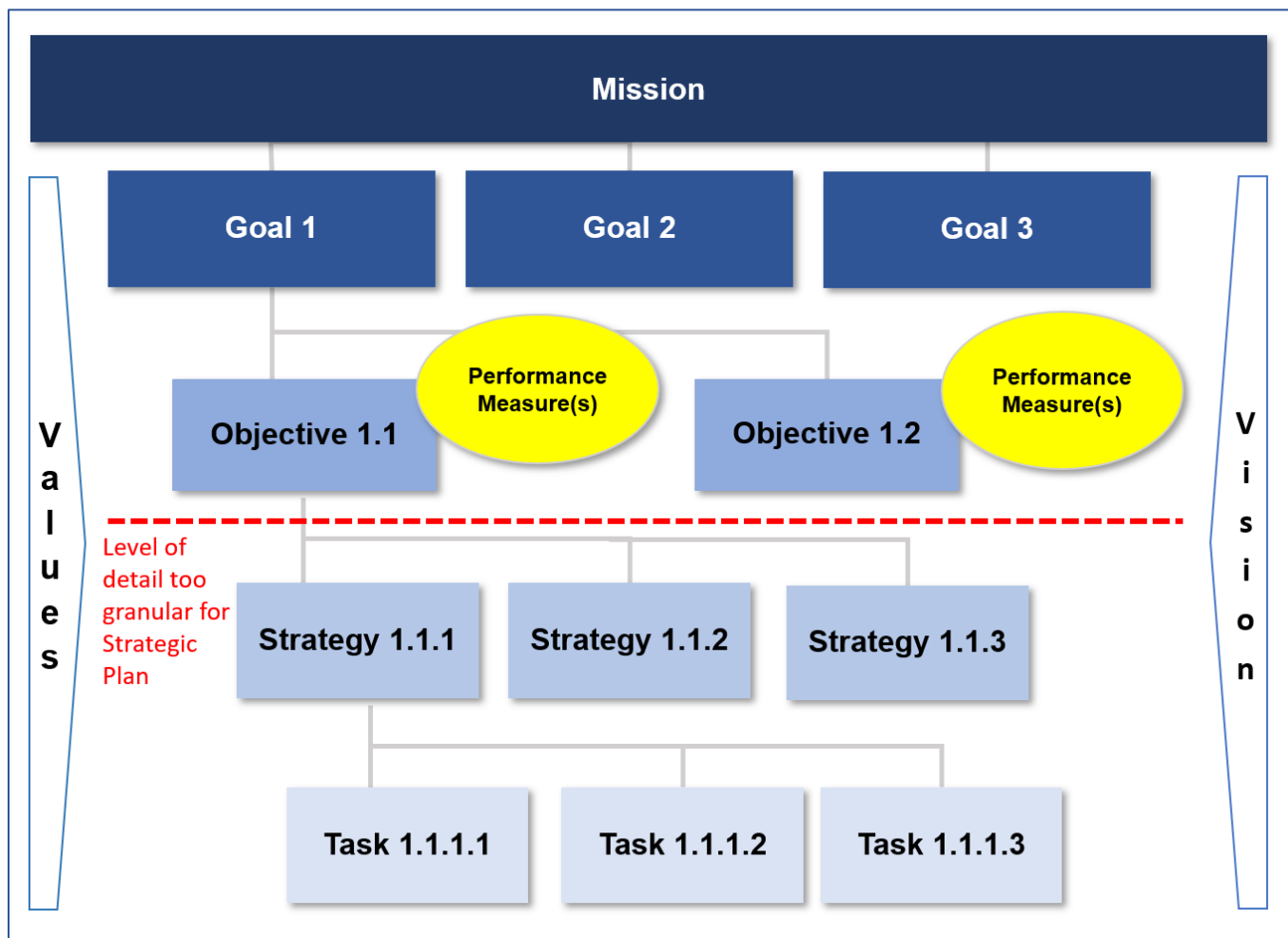
OSBM provides a strategic plan template for agencies use and/or reference, which can be found on [OSBM's website](#). Agencies may vary from this template if the same basic information is provided. The following sections provide descriptions of the strategic plan components captured in that template and things to consider when crafting each planning element.

### 3. Strategic Plan Components

#### 3.1. The Differences between Goals, Objectives and Tasks

A goal is high-level and outcome-oriented but not overly specific (no targets). Objectives are the progress needed to achieve a goal and should be specific, measurable, attainable, relevant, and time bound. Strategies state the action steps the agency will take to achieve the goal and its measurable objectives. Strategies are actions and thus typically start with a verb.

See the graphic below for an illustration of how plan components can work together.



Strategies and tasks, although vital to the implementation of any Strategic Plan, are more specific actions, more operation-related, and more subject to change than Strategic Plan components. To best facilitate discussions at the agency-to-agency level, we've removed strategies and tasks from our [Strategic Planning Template](#). That said, documenting your strategies and tasks in an Annual Plan can be a very useful operational resource. **Although OSBM does not require the submission of an Annual Plan, we've drafted a template for agency use and posted it to the [OSBM Website](#).**

### 3.2. Mission, Vision, and Values

The **mission statement** is the common thread that describes an agency's basic purpose and concisely identifies what the agency does, why, and for whom. It reminds everyone, including the Governor, legislators, and the public, of the unique purposes promoted and served by the agency and provides a clear answer to the question, "Why do we exist?"

Every strategic planning cycle, your agency should review its mission statement and determine if revisions are required. As part of the review process, you should examine your agency's responsibilities and authorities as spelled out in North Carolina statute. It may be necessary to develop a new mission statement; however, an agency will most likely only need to make moderate revisions (or no changes at all) since mission statements often remain appropriate for long periods of time and, in the case of state government, are often mandated by statute.

A mission statement is easy to understand and should answer the following questions:

- Why does our organization exist?
- What do we do that no other organization can do?
- Who are our customers? Stakeholders? Beneficiaries? What implications does this have for how you do what you do?
- What major activities or outcomes are we responsible or accountable for?
- Is our mission consistent with the agency's enabling statute?

#### Examples of a Mission Statement:

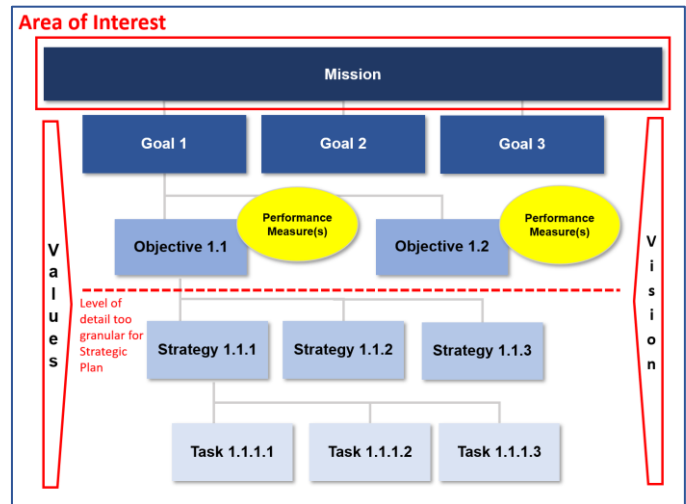
Use: The mission of the XYZ agency is to provide access to affordable, quality health care to North Carolinians through effective planning, purchasing, and oversight.

Not: To assist our customers by providing leadership, and reliable business services.

A **vision statement** is a coherent and powerful statement of what an agency wants to be in the future. A vision statement articulates a view of a realistic and creditable future for an agency and helps form the foundation for strategic plan development. It helps agency employees articulate what the agency want to achieve.

There are many key elements of quality vision statements, which include but are not limited to:

- Setting high standards and ideals





- Identifying a clear purpose and direction
- Strengthening enthusiasm and commitment
- Promoting change
- Reflecting uniqueness

**Note:** A vision statement differs from a mission statement in that a mission statement tells who or what an agency is now, and a vision statement tells what an agency hopes to become in the future.

An effective way for an agency to develop a vision statement is to answer the following question:

- What would our agency look like in ten years if we are successful between now and then?

The answer should be a description of what the agency will become and should portray an image of the ideal future for the agency. It is not a description of the method or process to get to that ideal.

**Examples of a Vision Statement:**

Use: *The Agency XYZ will be a nationally recognized leader for organizational excellence and customer service.*

Not: *To assist our customers by reliable business services.*

**Values** are the principles that govern behavior within an agency. They effectively communicate expectations of internal and external interactions, business conduct, and day-to-day operations. Consistent with an agency's mission and vision, values should be integrated into all levels and functions of an agency to influence behavior, provide a moral compass, and help employees make tough decisions.

Effective values are clear, succinct, and widely communicated. They remain consistent and relevant over long time periods and provide substantial guidance for carrying out individual responsibilities.

Values are typically listed as single words, but phrases or sentences that describe the value may help explain their importance to employees and others. While many values may be applicable to define an agency's work and culture, establishing four to eight core values is usually sufficient and easy to communicate. After values are finalized and approved, they should be visible throughout an agency and reaffirmed by leadership and management on a continuous basis.

**Examples of Agency Values:**

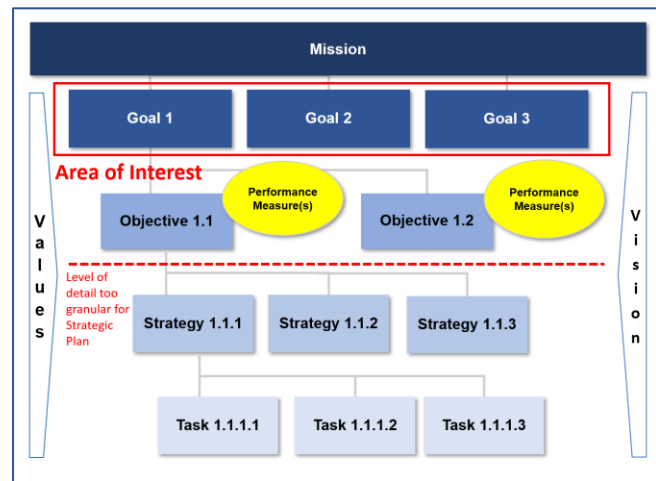
Use: *Teamwork - We will succeed through effective communication and trust.*

Not: *Excellence*

### 3.5. Agency- or Departmentwide Goals

**Goals** are broad statements that define what an agency wants to achieve over a long period of time. They stretch and challenge an agency but are realistic and achievable, and help provide answers to the question, “Where do we want to be?”

The strategic planning process requires agencies to identify the critical issues or “challenges” facing the agency. These challenges are the foundation upon which the agency develops its goals.



The development of agency goals is one of the most critical aspects of the planning process because goals chart the course for the agency and broadly illustrate how an agency will achieve its mission and vision. The goal development process begins to focus the agency’s intentions toward clearly defined actions.

Goals should:

- **Be customer focused**, i.e., derived from internal and external customer data included in an agency’s environmental scan.
- **Be clear and easily understood** by the public.
- **Address the primary issues** facing the organization.
- **Limited in number** to focus the agency on a manageable set of priorities. Although there is no established limit on the number of goals, best practice indicates that three to five goals is often desirable in order to clearly establish the agency’s direction and define priorities.
- **Specific** to your organization.

While developing goals, the agency should begin identifying the desired results of its efforts and consider performance measures that will demonstrate accomplishment of those goals. This will be useful in steps to follow.

During the goal development process, an agency should answer the following questions:

- Are the goals in harmony with the agency’s mission and will they help fulfill the agency’s vision?
- What are the most important efforts we can undertake to pursue our mission?
- What are our weaknesses & how will we address them?
- Do the goals provide a clear direction for agency action?
- Do the goals align with the vision and priorities of the Administration?

#### Examples of Goals:

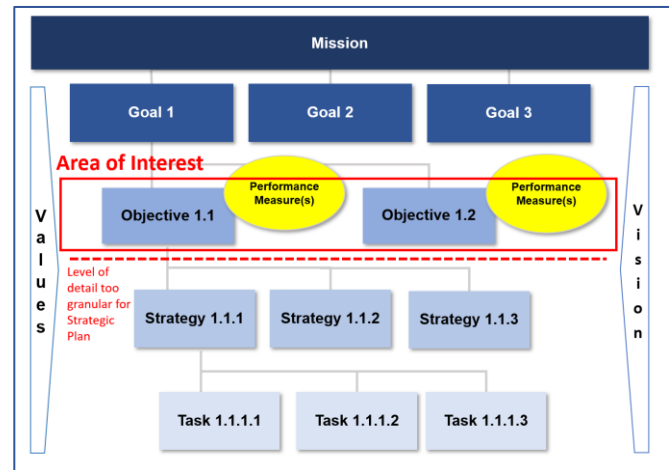
Use: *Improve the customer experience for permit applicants.*

Not: *Improve customer service.*

### 3.6. Bureau- or Division-wide Objectives

**Objectives** are clear targets for specific action. Objectives are specific, quantified, and time-based statements that outline measurable steps toward achieving an agency's goals. Objectives represent the extent to which agency goals will be achieved at the end of the time period covered by the strategic plan. **One goal may have multiple objectives.**

Objectives should help prioritize resource allocation and shape agency actions. It is important that objectives be Specific, Measurable, Achievable, Realistic, and Timely (SMART).



Measurable objectives are typically stated as “X as of Date becomes Y by Date,” where “X” is the baseline performance and “Y” is the target performance. Often, the “by Date” is the final year of the strategic planning cycle.

The following questions should help an agency assess its objectives:

- Is the objective clearly related to the stated goal?
- Does the objective clearly state what the agency intends to accomplish?
- Does the objective have specific targets and time frames?
- Can progress toward completion of the objective be measured?
- What measures are needed to track the achievement of each objective?
- Will someone unfamiliar with the program understand what the objective means?

#### Examples of Objectives:

Use: Increase our customer survey satisfaction score from 80% highly satisfied to 95% highly satisfied by FY 2022-23.

Not: Increase number of customers surveyed from 80% to 95%.

### 3.7. Performance Measures or Milestones

Defining “success” is key to developing and implementing an effective plan. In order to track progress towards the goals outlined in a strategic plan, the objectives presented should have **performance measures** that will inform whether objectives have been accomplished.

Measures should be useful for answering the following questions:

- Did we achieve the results that we expected, or did it produce results we didn’t want or expect?
- Should our strategies to achieve the objective be changed?



OSBM recommends that state agencies submit strategic plans that capture **objective-level performance measures** that clearly define the method and unit of measurement for a desired event. There are many different types of measures, and a combination of these may be needed to inform decision-making at different levels. While our performance measure terminology is not universal, the table below provides definitions and examples of the measures we typically encounter in an agency’s strategic plan.

Type of Measure	Definition	Examples
Outcome Measure	Measures the actual impact or effect on a stated condition or problem over a prolonged period (typically a year or longer).	<ul style="list-style-type: none"> <li>• Reduction in fire deaths/injuries in a year</li> <li>• Percent of parolees not reconvicted within 5 years</li> </ul>
Milestone	An event that is not easily quantified other than recognizing its completion or not.	<ul style="list-style-type: none"> <li>• Create a training plan</li> <li>• Establish a baseline for future measures</li> </ul>

While both types are acceptable, it is a best practice to have measures that include a target quantitative outcome. For example, a target quantitative outcome could be a 2% or greater reduction in transportation-related fatalities. In contrast, a milestone is a binary assessment of whether something happened and may be a necessary alternative to describe the progress of a particular effort. For example, completing and submitting a strategic plan on time is a milestone rather than an outcome. Performance measures with an associated target are generally more sophisticated and preferable to milestones which may serve an intermediate role prior to developing a quantitative performance measure.

## 4. Highlights and Opportunities

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The purpose of the “Highlights and Opportunities” section of the [OSBM Strategic Planning Template](#) is to highlight what is working in your agency, share best practices, and learn about potential opportunities or collaborations your agency envisions.

## 5. Strategic Plan Checklist

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Your agency may deviate from the provided template, but please ensure all the following elements are included at a minimum:

- ☐ *Mission* that states what you are doing and tied to statutory authority.
- ☐ *Vision* that states what you seek to become.
- ☐ *Values* that establish organizational principles.
- ☐ *Goals* that clearly support the agency's mission and align with the vision statement.
- ☐ *Objectives* that are measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.
- ☐ *Performance Measures or Milestones* that clearly define the method and unit of measurement for evaluating progress towards your objectives.
- ☐ Does not capture *Strategies* or *Tasks*.

## 6. Timeline and Submission

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### 6.1. Timeline

The 2021-23 Strategic Plans are due **May 1, 2021**.

### 6.2. Where to submit

Please email completed plans to your designated OSBM Budget Analyst(s) and Jonathan Meyer at [Jonathan.Meyer@osbm.nc.gov](mailto:Jonathan.Meyer@osbm.nc.gov).

### 6.3. Questions

For any questions about this guidance, the OSBM strategic plan template, or the strategic planning process, please contact your OSBM Budget Development Analyst.